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1837 Crane Ridge Drive P.O. Box 55809 Jackson, Mississippi 39296-5809 Telephone AC 601/982-3444 Fax AC 601/982-1879

26 January 2007

State of Louisiana Office of Conservation 625 North 4th Street Baton Rouge, LA. 70804

Attention:

Mr. Todd Keating

Re: Commingling Permit Request

LSJ 3400 A RA SU; F D Brown No. 01, S/N: 28622 LSJ 3400 A RA SU; F D Brown No. 08, S/N: 36726 LSJ 3400 A RA SU; F D Brown No. 09, S/N: 36927

LSJ 3400 A RA SU; Pan Am Community No. 02, S/N: 31767 LSJ 3400 A RA SU; F D Brown No. 13, S/N: 231325

LSJ 3400 A RA SU; D V Applegate No. 72, S/N: 231613 LSJ 3400 A RA SU; F D Brown No. 06, S/N: 35223

F D Brown No. 10, S/N: 117687

OFFICE OF CONSERVATION AUDIT SECTION

Mr. Keeting:

Under Order # 29-D-1, McGowan Working Partners Inc. respectfully requests that we be allowed to commingle production from the above listed wells into the LSJ 3400' A RA SU production facility, facility code (None).

Pursuant to this request, please find the following:

- Diagrammatic sketch of the mechanical installation with an explanation of oil & gas.
- 2. Signed statements that commingling will allow accurate measurement, not create inequities, and that interest owners will recover fair share of hydrocarbons produced.
- Allocation of production to captioned wells will be determined by monthly well tests.
- 4. List of known owners, affected parties.
- 5. Our check in the amount of \$252.00.

If the above cannot be approved administratively, we request a hearing date at your earliest convenience.

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State of Louisiana Office of Conservation 26 January 2007 Page -2-

If any additional information is required, or you have any questions or concerns please feel free to contact me at (601) 982-3444 (voice), (601) 982-4014 (fax), or glenn@mcgowanwp.com (e-mail).

Respectfully,

Glenn D. Hepner Regulatory Officer

Cc:

State of Louisiana Office of Conservation P O Box 1651 Monroe LA 71201

Attention: Clarence Chandler

GDH Enclosure

1837 Crane Ridge Drive P.O. Box 55809 Jackson, Mississippi 39296-5809 Telephone AC 601/982-3444 Fax AC 601/982-1879

26 January 2007

State of Louisiana Office of Conservation 625 North 4th Street Baton Rouge, LA. 70804

Re: Commingling Permit Request

Explanation of flow of gas and liquid hydrocarbons

Production Facility: LSJ 3400' A RA SU

Facility Code: (None)

Wells: LSJ 3400 A RA SU; F D Brown No. 01, S/N; 28622

LSJ 3400 A RA SU; F D Brown No. 08, S/N: 36726 LSJ 3400 A RA SU; F D Brown No. 09, S/N: 36927

LSJ 3400 A RA SU; Pan Am Community No. 02, S/N: 31767

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LSJ 3400 A RA SU; F D Brown No. 06, S/N: 35223

F D Brown No. 10, S/N: 117687

The eight (8) above captioned wells will be pumped through a header which then flows into a separating vessel (rail car). The oil, gas and water are then separated in the vessel. The oil is dumped into stock tanks where it is metered before selling through a load line to truck. The saltwater is dumped to a saltwater disposal well. Gas is vented off the top of the separator and piped into a gas sales line and or lease use as needed.

Each well can be tested by shutting of the valve at the header and flowing the product to a test vessel where the oil, gas and saltwater are metered. The product is then returned to the system downstream of the header and upstream of the separating vessel.

Testing will be done on a monthly basis.

If any additional information is required, or you have any questions or concerns please feel free to contact me at (601) 982-3444 (voice), (601) 982-4014 (fax), or glenn@mcgowanwp.com (e-mail).

Respectfully,

Glenn D. Hepner Regulatory Officer

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McGowan Working Partners, Inc.

1837 Crane Ridge Drive
P.O. Box 55809
Jackson, Mississippi 39296-5809
Telephone AC 601/982-3444
Fax AC 601/982-1879

26 January 2007

State of Louisiana
Office of Conservation
625 North 4th Street
Baton Rouge, LA. 70804

Attention:

Honorable James H. Welsh

Commissioner of Conservation

Re:

Commingling Permit Request

LSJ 3400 A RA SU; F D Brown No. 01, S/N: 28622 LSJ 3400 A RA SU; F D Brown No. 08, S/N: 36726

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F D Brown No. 10, S/N: 117687

PRODUCTION AUDIT SECTION

Dear Commissioner:

Pursuant to our request to convert the LSJ 3400' A RA SU Production Facility, Facility Code (None), to a commingling facility for the captioned wells, this letter serves to verify that the oil meters used in the well tests for the referenced facility will be calibrated at least monthly and the gas meters will be calibrated at least quarterly.

If any additional information is required, or you have any questions or concerns please feel free to contact me at (601) 982-3444 (voice), (601) 982-4014 (fax), or glenn@mcgowanwp.com (e-mail).

Respectfully,

Glenn D. Hepner Regulatory Officer

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26 January 2007

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Attention:

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Re:

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F D Brown No. 10, S/N: 117687

FFICE OF CONSERVATION

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Dear Commissioner:

Pursuant to our request to convert the LSJ 3400' A RA SU Production Facility, Facility Code (None), to a commingling facility for the captioned wells, please be advised that in the opinion of McGowan Working Partners, Inc. the commingling of oil, gas and/or other hydrocarbons and the use of the well test method for allocation of production will provide reasonable accurate measurement, will not create inequities, and that the owners of an interest will have the opportunity to recover their just and equitable share of the reservoir content.

If any additional information is required, or you have any questions or concerns please feel free to contact me at (601) 982-3444 (voice), (601) 982-4014 (fax), or glenn@mcgowanwp.com (e-mail).

Respectfully,

Glenn D. Hepner Regulatory Officer

